

Economy Committee

10.00am, Tuesday, 29 April 2014

Disposal of Housing Revenue Account Land at Oxfangs Brae, Edinburgh

Item number	8.1.6
Report number	
Executive/routine	Executive
Wards	Ward 8 – Colinton/Fairmilehead

Executive summary

The purpose of this report is to seek Committee approval for the disposal of three areas of Housing Revenue Account (HRA) land (Site A) located adjacent to a former social work centre, library and St. John's Parish Church which have previously been declared surplus to operational requirements.

These sites have been marketed with bidders being advised that approval would be sought to include Site A in any disposal.

The consultation on the disposal of this site has generated a considerable number of objections with objectors declaring their opposition to retail development and support for house-building on the site.

These objections are informed by the preferred bidder being identified as a large discount supermarket chain. However Committee should be aware that earlier consultation raised objections against house-building.

The sale of the combined HRA land is likely to produce a significant capital receipt to the HRA which could be used to fund the development of social rented homes on another site.

Links

Coalition pledges	P17
Council outcomes	C07 C08
Single Outcome Agreement	S01

Disposal of Housing Revenue Account Land at Oxfangs Brae, Edinburgh

Recommendations

It is recommended that the Economy Committee:

- 1.1 Approves the disposal of the HRA land at Site A at Oxfangs Brae, subject to approval from Scottish Ministers under Section 12 (5) of the Housing (Scotland) Act 1987 and delegates authority to the Director of Services for Communities and the Head of Legal, Risk and Compliance to conclude the sale of Site A.
- 1.2 Refers this report to the Finance & Resources Committee for ratification.

Background

- 2.1 The purpose of this report is to seek Committee approval for the disposal of three areas of HRA land measuring approximately 814 sq.m. located adjacent to a former Social Work centre, Oxfangs library and St. John's Parish Church.
- 2.2 A plan identifying Site A, with the areas proposed for disposal shaded in blue, is attached at Appendix 1.
- 2.3 Site A comprises three grassed amenity areas with no operational purpose to the HRA. The cost of maintenance of these areas of ground rests with the South West Neighbourhood and the site is maintained regularly.
- 2.4 Site A is adjacent to another area of HRA land, identified as Site B and shaded orange in Appendix 1.
- 2.5 Approval to dispose of Site B was given by Finance and Budget Committee on 17 January 2013. At that time, the intention was to market Site B and the former Social Work building (identified as Site D in Appendix 1) for sale together, so as to increase the size of the site available.
- 2.6 Subsequent to the Finance and Budget Committee decision, it became known that the adjoining St John's Parish Church (the Church) building and surrounding land was also to be vacated. This site (Site C) is shaded in pink in Appendix 1.
- 2.7 Following discussions between the Council and the Church, it was agreed to formally market both sites simultaneously and it was anticipated that there would be potential interest in the larger combined site for a range of uses, including retail, commercial and residential. The marketing of Site B and the Social Work centre (Site D) was delayed until the Church had completed its own consultation process. Marketing of sites B and D commenced in October 2013.

Main report

- 3.1 The combined site shown at Appendix 1 has been through a formal marketing process and all bidders were made aware of the intention to seek approval for the disposal of the three additional areas making up Site A, prior to final bids being submitted.
- 3.2 A total of 11 bids from commercial and residential developers were received before the closing date. Seven of these bids included the areas of land at Site A.
- 3.3 A preferred bidder has been identified following the marketing process and legal negotiations are currently ongoing with the aim of concluding formal missives. The preferred bidder's submission includes Site A.
- 3.4 Once missives have been concluded, the preferred bidder will begin a full public consultation exercise prior to submitting a formal planning application. The site is currently designated in the local plan for mixed use and open space. Planning permission for the proposed development is required to complete the sale.
- 3.5 Consultation on the disposal of Site A began in December 2013 and concluded in February 2014. Site A cannot be developed in isolation and, had the intention of the Church been known at the point when disposal was sought for Site B, these remaining areas would have been included in the initial consultation process.
- 3.6 There was a considerable number of objections to the development of the site for retail purposes. However, when consultation took place on the disposal of the rest of the site, objections were mainly against the potential use of the site for the development of housing. A summary of the objections is included in the Consultation and Engagement section below. .

Measures of success

- 4.1 Combining Sites A, B and C will maximise the capital receipt to the HRA for reinvestment in housing and regeneration and development of new affordable homes in the area.
- 4.2 Disposal of Site A will ensure that three areas of land which could not be developed in isolation are delivered as part of the wider site. This will remove an ongoing maintenance liability from the Council.
- 4.3 Making Site A available to all bidders ensures that, should the preferred bidder withdraw, the extended site still has potential to be developed under an alternative proposal.

Financial impact

- 5.1 The sale of the site will generate a capital receipt for both the HRA and General Fund.
- 5.2 Based on the preferred bidder's submission, it is estimated that the HRA could receive a capital receipt of £500,000 for investment in new affordable homes in

the area. The amount that will be contributed to the General Fund is confidential and commercially sensitive.

Risk, policy, compliance and governance impact

- 6.1 This report is in accordance with the policies set out in the Scheme of Delegation. [City of Edinburgh Council - Scheme of delegation to officers](#).
- 6.2 The disposal of the site and subsequent planning application may generate opposition from the local community.

Equalities impact

- 7.1 There are no identified negative equality and rights impacts arising from this report.

Sustainability impact

- 8.1 There will be a positive impact on the environment when the site is developed as the maintenance of the land will be improved.

Consultation and engagement

- 9.1 Following consultation on the disposal of the original HRA land at Site B, a petition containing 150 signatures was received objecting to the site being disposed of for affordable housing. It should be noted that the adjacent former Social Work building would be sold regardless of what was decided for the HRA land. The successful bidder will be required to satisfy any traffic issues as part of their planning application.
- 9.2 A consultation on the disposal of the three areas of HRA land at Site A took place between 23 December 2013 and 28 February 2014 with residents, elected members, community and tenants' groups and local businesses.
- 9.3 The consultation period initially lasted for 21 days; however, this was extended to 31 January 2014 and subsequently to 28 February 2014, due to the level of interest in the site from the community and to allow for any late responses to be submitted.
- 9.4 As part of the consultation, an online petition with 1,628 signatures has been submitted by the nearby Broadway convenience store petitioning the Council to: "Prioritise Social/Affordable housing on Brownfield sites in Edinburgh rather than allow commercial/supermarket development".
- 9.5 A second petition with 413 signatures was collected in the same convenience store stating: "We, the undersigned, are in favour of a social/affordable housing option for the site at Oxfords Brae, rather than any commercial development".
- 9.6 A total of 21 responses were received direct from local residents. The majority of these raised a concern in relation to over provision of supermarkets in the Oxfords area.

- 9.7 In terms of the disposal of the three HRA areas at Site A as part of the wider site, the main concern relates to traffic congestion. Oxgangs Road North is heavily congested at peak times with bus stops, a pedestrian crossing and a busy right turn onto Redford Road, all within close proximity. Concerns have been raised that any development on the site may put additional pressure on both traffic flow and congestion. Concerns were also noted with regard to the potential loss of green space in the area.
- 9.8 Councillors Aitken and Rust have been supportive of the community response in favour of housing provision on the site.
- 9.9 Gordon MacDonald MSP responded objecting to the land being made available for any use other than housing provision. A flyer was distributed on his behalf seeking email responses from members of the public who opposed the potential retail development for the entire site. Almost 70 responses were received with only two in support of the potential retail development.
- 9.10 Alistair Darling MP responded in support of housing development on the site.
- 9.11 Edinburgh Tenants Federation and the Oxgangs Central Residents Association have also objected to the potential retail development of the site.
- 9.12 A letter was received from The Scottish Grocers Federation objecting to retail provision on the site.

Background reading / external references

[Use of Surplus Council Land at Oxgangs Brae, Edinburgh – Report to Finance and Budget Committee, 17 January 2013](#)

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Links

Coalition pledges	P17- Continue efforts to develop the city's gap sites and encourage regeneration
Council outcomes	CO7 - Edinburgh draws new investment in development and regeneration CO8 - Edinburgh's economy creates and sustains job opportunities
Single Outcome Agreement	SO1- Edinburgh's economy delivers increased investment, jobs and opportunities for all.
Appendices	Appendix 1 – Location Plan

Appendix 1 – Location Plan

